



LEGISLATIVE FISCAL OFFICE  
Fiscal Note Summary

Louisiana

FISCAL NOTE ON: SB 1295  
SRS 97- 1727  
STATUS OF BILL: ENGROSSED

DATE COMPLETED: April 18, 1997  
Dept: Public Safety and Corrections  
Subject: Pari-Mutuel Live Racing Facility Econ. Redev. / Gaming Cntl. Act

AUTHOR: Senator Cravins  
ANALYST: Gordon Monk

PURPOSE OF BILL:

GAMING. Authorizes slot machine gaming at a live horse race track in St. Landry, Bossier, and Calcasieu parishes.

Legislation creates the Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act which authorizes slot machine gaming at racetracks in St. Landry, Bossier and Calcasieu parishes. These racetracks must be licensed or approved for the future licensing of not less than 80 days of live horse race meetings each year by the Louisiana State Racing Commission. Racetracks not completed for live racing may conduct slot machine gaming for up to 24 months if certain conditions are met. The Louisiana Gaming Control Board shall issue licenses, adopt rules and fees necessary to regulate slot machine gaming and approve the location, plans (CONTINUED ON PAGE 2)

ESTIMATED FISCAL IMPACT:

EXPENDITURES	1997-98	1998-99	1999-2000	2000-2001	2001-02	5 YEAR TOTAL
State General Funds	\$0	\$0	\$0	\$0	\$0	\$0
Agency Self Generated	\$0	\$0	\$0	\$0	\$0	\$0
Statutory Deds./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	1997-98	1998-99	1999-2000	2000-2001	2001-02	5 YEAR TOTAL
State General Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agency Self Generated	\$0	\$0	\$0	\$0	\$0	\$0
Statutory Deds./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPLANATION OF ESTIMATES:

EXPENDITURES:

There will be additional indeterminable expenditures to parish governing authorities for the holding of parish-wide referendum elections required for the approval of slot machine gaming at certain racetracks. There will also be additional expenses to the Office of State Police for investigatory, regulatory and enforcement services including the operation of a computer system to conduct remote polling or reading of slot machine operations or for the remote shutdown of these operations. Actual expenditures associated with these requirements are not known at this time and will depend on the number of racetracks having such slot machines, the number of slot machines, and the fiscal year in which the legislature will approve taxes and fees which will then allow implementation of the proposed Act. Revised estimates from the State Police project expenditures of \$2.8 million in the first full year of operations assuming 3 racetracks will have 1,500 slot machines each (4,500 total machines). The \$2.8 million would include 19 auditors, 13 commissioned troopers and 7 clerical / data processing positions and related operating expenses and equipment. Included in the cost is \$500,000 for a computer system to monitor the slot machines. Recurring costs after the first year of operation are projected at approximately \$1.7 million per year.

REVENUES

The fiscal impact that this legislation will have on revenues is not known at this time and will depend upon the taxes and fees imposed on slot machine gaming at designated racetracks. The legislation authorizes eligible racetracks in St. Landry, Bossier and Calcasieu parishes to have such devices in a designated gaming area not to exceed 30,000 square feet. No slot machine gaming may be conducted until and unless the Legislature by law provides for the imposition, collection, and disposition of taxes on net slot machine proceeds and fees to administer the Act. Obviously at this time, the number of racetracks that may be licensed for slot machines, the actual number of slot machines in place and taxes and fees to be imposed by the Legislature is not known.

Assuming that each of the three race tracks will have 1,500 slot machines that generate net gaming proceeds on an annual basis in a similar amount as slot machines on the non cruising (CONTINUED ON PAGE 2)

☒ Senate Rules 13.5.1 and 13.5.2

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LEGISLATIVE FISCAL OFFICER  
or Designee



**LEGISLATIVE FISCAL OFFICE**  
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PURPOSE OF BILL: (Continued)

DATE: 4/18/97

and construction of the designated slot machine gaming area in an eligible facility. The designated gaming area shall not exceed 30,000 square feet. The State Police Gaming Division upon direction of the Board is required to provide investigatory, regulatory, and enforcement services including the operation of a mechanism necessary to conduct remote polling or reading of slot machine operations or for the remote shutdown of those operations. The legislation requires parish-wide referendum elections before slot machine gaming may be held in the parish.

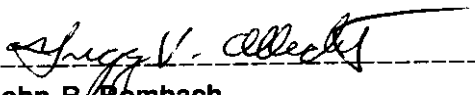
The proposed legislation further provides that no slot machine gaming may be conducted until and unless the Legislature provides by law for the imposition, collection, and disposition of taxes on net slot machine proceeds and fees necessary to administer the requirements of the Act. The legislation appears to exempt these slot machines from local taxes, fees and licensing restrictions.

**EXPLANATION OF ESTIMATE**

**EXPENDITURES:** (Continued)

**REVENUES**

riverboats in Caddo and Bossier Parishes, an estimate of \$88.9 million can be made as follows. 4,500 slot machines X \$106,884 annual net gaming proceeds per slot machine = \$480,978,000 of net gaming proceeds. \$480,978,000 X 18.5% tax rate = \$88,980,930. This estimate utilizes the current franchise fee (tax) rate for riverboat gaming. This estimate does not include other license fees that may be assessed to the owner of the eligible facility, the slot machine owner, distributor, manufacturer, service technician, etc. The estimate does not take into account any possible impact that this gaming activity may have on other state approved gaming activities.

  
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